

OGC Has Reviewed

TAB

MR-4-6056

TO : DIR (KUBARK)

FROM : Auditor-in-Chief

SUBJECT: Report on Finance and Audit Activities, European Area,  
as of July 22nd, 1953.

E X T R A C T

10.

"1. There is a definite need for better control over procurement in the Field. Likewise there is an urgent need for a sound property accounting system. In view of the fact that the chief of Headquarters Procurement Division recently visited Europe and was advised of the above needs, it is assumed that he has made an appropriate report to Headquarters. Further, I know that before I left Washington, a study on the proper system for accounting for property was nearing completion and it is expected that this will take care of many of the problems noted here. Instructions on these matters should be issued as soon as possible in view of the fact that conditions in the Field are far from satisfactory."

/s/

[Redacted Signature]

25X1A9a

TAB

25X1A2g

VIA: AIR POUCH

DISPATCH NO.: [REDACTED]

DATE: 24 September 1953

MEMORANDUM FOR: SENIOR REPRESENTATIVE, [REDACTED]

25X1A6a

SUBJECT: Europe-Near East-Africa Logistics Problems

1. Reports from various officials who have returned from the European-Near East-Africa areas in recent months indicate an urgent need for the establishment of an effective, uniform field logistics system, adequate to serve both operational support needs, and Agency over-all control and accounting requirements.

2. Particular reference is made to the recommendations of the Chief of Logistics, Headquarters, in his trip report of a recent visit to your station, a copy of which was forwarded to you 2 June. I have noted these recommendations, and I concur in them. In general, deficiencies were noted in the following respects:

- a. Maintenance of accountable records
- b. Control of local procurement
- c. Surveillance and care of Agency property
- d. Supply discipline
- e. Control of real estate

3. These deficiencies appear to be present in some degree in all our operating areas. To help you eliminate them, we have intensified our efforts to develop uniform [REDACTED] and operating procedures. These will be published shortly as [REDACTED] activities. In addition, I believe it is essential that Headquarters guidance be furnished in implementing these directives.

4. A team of logistics specialists from the Agency Logistics Office, including a representative from your Headquarters Area Division, will proceed to Europe, probably in early October, to provide on-the-spot expert assistance in establishing a uniform field logistics system. This team, operating from [REDACTED] will provide one or more specialists to visit each station in your area. The team's activities will include:

- a. Proper identification of all Agency property.
- b. Accomplishment of a complete physical inventory of all Agency assets.
- c. Installation of adequate and uniform property records and procedures.

5. a. Team members will be on a temporary duty status, and may be rotated if warranted by length of absence of any team member from Headquarters.

25X1A6a

b. A permanent team chief will be assigned to provide continuity of guidance and supervision to this project. He will be sent on permanent change of station to [ ] on a normal two year tour of duty basis, with responsibilities as indicated below:

(1) Supervising and directing the logistics team in the establishment of its mission.

(2) Furnishing you with assistance in the continuing operation of your logistics activities, namely, supply, procurement, transportation, real estate and construction.

(3) Assisting you in the development and proper submission to Headquarters of material requirements, and making recommendations to Headquarters on the redistribution within the Theater of Agency assets to help in meeting those requirements.

25X1A6a

(4) Assisting in the development and establishment of support bases in [ ] and making recommendations to Headquarters for their future operations and area support responsibility.

(5) Making recommendations to Headquarters on logistics policies and procedures.

25X1A9a

c. (1) [ ] Chief, Supply Division, Agency Logistics Office, has been designated team chief and logistics coordinator during his tour abroad. There will be no change in currently established logistics responsibilities and authorities of Mission and Station Chiefs and Senior Representatives.

25X1A9a  
25X1A6a  
25X1A2d2

25X1A9a

25X1A2d2

(2) [ ] will be under the administrative command of the Senior Representative, [ ], but will be responsible thru the Chief of Administration, [ ] to the Chief of Logistics, for the accomplishment of his mission. [ ] channel for communication to Headquarters will be thru the Chief of Administration, [ ]

25X1A9a

6. [ ] will have no logistics command function, but will provide on-the-spot advice and assistance. His mission is important to the Agency, and I am sure that you will give him your full cooperation and support.

/s/

ALLEN W. DULLES  
Director

LO/SD:OHG:mt (23 Sept 1953)

Distribution:

2 - DGI  
2 - A-DD/A  
2 - DD/P  
1 - LO  
1 - [ ]

Concur:

/s/ Lawrence R. Houston  
Acting Deputy Director  
(Administration)

1 - [ ] Approved For Release 2002/05/06 : CIA-RDP78-04718A000700160016-2

25X1A9a

/s/ [ ]  
for Deputy Director (Plans)

TAB

**SECRET**  
Security Information

Oct 16 1953

Memorandum for: Acting Deputy Director (Administration)

Subject: Establishment of Accountability in the Field

1. The Logistics Office is sending a team to the European area on or about 15 October 1953 to inventory material at field stations and to establish records and procedures consonant with Agency regulations.

2. Previous visits to the field have indicated that, in most instances, property records are highly inaccurate or non-existent. This condition is attributable to shortages of trained personnel, lack of comprehensive instructions and procedures, and lack of supply discipline. In view of these conditions, we propose to furnish the team with all available headquarters records of property at stations in that area, to instruct the team to establish property records on the basis of inventory, and to require Reports of Survey for shortages on the basis of headquarters records and/or current local records. Where current records reflect any indication of misuse, misappropriation or improper disposition of property, action will be taken in accordance with applicable regulations.

3. Your approval is requested.

/s/  
JAMES A. GARRISON  
Chief of Logistics

CONCURRENCE:

DATE:

APPROVAL:

DATE:

25X1A9a

/s/ [ ]  
Acting General Counsel

16 Oct. 53

/s/ L. K. White  
Acting Deputy Director  
(Administration)

16 Oct. 53

25X1A9a

/s/ [ ]  
for Auditor-in-Chief

16 Oct. 53

Approved For Release 2002/05/06 : CIA-RDP78-04718A000700160016-2

MEMORANDUM FOR: Acting Deputy Director (Administration)

SUBJECT: Report by Auditor-in-Chief on Finance and Audit  
Activities in European Area as of 22 July 1953

1. In the extract from referenced report (Tab A), the Auditor-in-Chief pointed out the need in the field for better control over procurement and for a sound property accounting system.

2. These same needs were also observed by the Chief of Logistics at the time of his visit to this area. As a result, a team of logistics specialists from headquarters Logistics Office was recently sent to Europe to provide on-the-spot expert assistance in establishing a uniform field logistics system

25X1A 25X1A6a [redacted] This team, operating from [redacted] will provide one or more specialists to visit each station in Europe, the Near East, and North Africa.

25X1A6a 3. A team Chief from headquarters Logistics Office has been assigned to [redacted] for two years on a permanent change of station basis to provide continuity of guidance and supervision for this project.

25X1A6a 4. The responsibilities and authority of the Logistics Team and its Chief are set out in detail in memoranda from the DCI to the field (e.g., memo to [redacted] Tab B), and in the memorandum from Chief of Logistics to A-DD/A (Tab C).

25X1A6a 5. The Senior Representative, [redacted] and the team Chief advised on 31 October 1953 that the work of the team was progressing satisfactorily with complete cooperation of the entire staff [redacted] 25X1A

25X1A6a 25X1A6a 6. In addition to the team sent to Europe, representatives of the Comptroller and the Logistics Office were assigned to [redacted] headquarters on TDY to establish and install stock and financial control of property in [redacted] consistent with Headquarters procedures [redacted] 2 Sept. 1953). 25X1A

25X1A6a 25X1A 7. The Senior Representative in [redacted] advised that the mission of the two representatives of the Comptroller and Logistics Office was completed on 19 October 1953, and that priority attention was being given to establishment of inventory and operation procedure by 30 November 1953. He called Headquarters' attention to the excellent performance of these representatives and advised that their visit had been of considerable benefit to all concerned. [redacted] 24 Oct. 1953)

Approved For Release 2002/05/06 : CIA-RDP78-04718A000700160016-2


1166-a



8. We feel confident that the deficiencies pointed out by the Auditor-in-Chief will be greatly reduced, if not entirely eliminated, by the steps taken.

JAMES A. GARRISON  
Chief of Logistics

Encls.

- Tab A - Extract of Report on Finance and  
Audit Activities, European Area, as of  
22 July 1953 by Auditor-in-Chief  
Tab B - Memo of 24 Sept. 1953 from DCI to  
  
Tab C - Memo for A-DD/A from C/LO dated  
16 Oct. 1953, subj: Establishment of  
Accountability in the Field

25X1A6a

TAB

ER-4-6056

TO : DIR (KUBARK)

FROM : Auditor-in-Chief

SUBJECT: Report on Finance and Audit Activities, European Area,  
as of July 22nd, 1951.

E X T R A C T

10.

"1. There is a definite need for better control over procurement in the Field. Likewise there is an urgent need for a sound property accounting system. In view of the fact that the chief of Headquarters Procurement Division recently visited Europe and was advised of the above needs, it is assumed that he has made an appropriate report to Headquarters. Further, I know that before I left Washington, a study on the proper system for accounting for property was nearing completion and it is expected that this will take care of many of the problems noted here. Instructions on these matters should be issued as soon as possible in view of the fact that conditions in the Field are far from satisfactory."

/s/

[Redacted Signature]

25X1A9a

TAB

Approved For Release 2002/05/06 : CIA-RDP78-04718A000700160016-2 25X1A2g

VIA: AIR POUCH

DISPATCH NO.: 

DATE: 24 September 1953

c  
o  
p  
yMEMORANDUM FOR: SENIOR REPRESENTATIVE, 

25X1A6a

SUBJECT: Europe-Near East-Africa Logistics Problems

1. Reports from various officials who have returned from the European-Near East-Africa areas in recent months indicate an urgent need for the establishment of an effective, uniform field logistics system, adequate to serve both operational support needs, and Agency over-all control and accounting requirements.

2. Particular reference is made to the recommendations of the Chief of Logistics, Headquarters, in his trip report of a recent visit to your station, a copy of which was forwarded to you 2 June. I have noted these recommendations, and I concur in them. In general, deficiencies were noted in the following respects:

- a. Maintenance of accountable records
- b. Control of local procurement
- c. Surveillance and care of Agency property
- d. Supply discipline
- e. Control of real estate

3. These deficiencies appear to be present in some degree in all our operating areas. To help you eliminate them, we have intensified our efforts



4. A team of logistics specialists from the Agency Logistics Office, including a representative from your Headquarters Area Division, will proceed to Europe, probably in early October, to provide on-the-spot expert assistance in establishing a uniform field logistics system. This team, operating from , will provide one or more specialists to visit each station in your area. The team's activities will include:

- a. Proper identification of all Agency property.
- b. Accomplishment of a complete physical inventory of all Agency assets.
- c. Installation of adequate and uniform property records and procedures.

5. a. Team members will be on a temporary duty status, and may be rotated if warranted by length of absence of any team member from Headquarters.

25X1A6a b. A permanent team chief will be assigned to provide continuity of guidance and supervision to this project. He will be sent on permanent change of station to [ ] on a normal two year tour of duty basis, with responsibilities as indicated below:

(1) Supervising and directing the logistics team in the establishment of its mission.

(2) Furnishing you with assistance in the continuing operation of your logistics activities, namely, supply, procurement, transportation, real estate and construction.

(3) Assisting you in the development and proper submission to Headquarters of material requirements, and making recommendations to Headquarters on the redistribution within the Theater of Agency assets to help in meeting these requirements.

25X1A6a (4) Assisting in the development and establishment of support bases in [ ] and making recommendations to Headquarters for their future operations and area support responsibility.

(5) Making recommendations to Headquarters on logistics policies and procedures.

25X1A9a c. (1) [ ] Chief, Supply Division, Agency Logistics Office, has been designated team chief and logistics coordinator during his tour abroad. There will be no change in currently established logistics responsibilities and authorities of Mission and Station Chiefs and Senior Representatives.

25X1A9a (2) [ ] will be under the administrative command of the Senior Representative, [ ] but will be responsible thru 25X1A6a the Chief of Administration, [ ] to the Chief of Logistics, for 25X1A2d2 the accomplishment of his mission. [ ]'s channel for 25X1A9a communication to Headquarters will be thru the Chief of Administration, [ ] 25X1A2d2

25X1A9a 6. [ ] will have no logistics command function, but will provide on-the-spot advice and assistance. His mission is important to the Agency, and I am sure that you will give him your full cooperation and support.

/s/

ALLEN W. DULLES  
Director

LO/SD:OHG:mt (23 Sept 1953)

Distribution:

2 - DCI  
2 - A-DD/A  
2 - DE/P  
1 - LO  
1 - SE/LO

Concur:

/s/ Lawrence R. Houston  
Acting Deputy Director  
(Administration)

Approved For Release 2002/05/06 : CIA-RDP78-04718A000700160016-2

/s/ [ ]  
for Deputy Director (Plans)

25X1A9a

TAB

~~CONFIDENTIAL~~ Oct 16 1953

Memorandum for: Acting Deputy Director (Administration)

Subject: Establishment of Accountability in the Field

1. The Logistics Office is sending a team to the European area on or about 15 October 1953 to inventory material at field stations and to establish records and procedures consonant with Agency regulations.

2. Previous visits to the field have indicated that, in most instances, property records are highly inaccurate or non-existent. This condition is attributable to shortages of trained personnel, lack of comprehensive instructions and procedures, and lack of supply discipline. In view of these conditions, we propose to furnish the team with all available headquarters records of property at stations in that area, to instruct the team to establish property records on the basis of inventory, and to require Reports of Survey for shortages on the basis of headquarters records and/or current local records. Where current records reflect any indication of misuse, misappropriation or improper disposition of property, action will be taken in accordance with applicable regulations.

3. Your approval is requested.

/s/  
JAMES A. GARRISON  
Chief of Logistics

CONCURRENCE:

DATE:

APPROVAL:

DATE:

25X1A9a

/s/ [ ]  
Acting General Counsel

16 Oct. 53

/s/ L. K. White  
Acting Deputy Director  
(Administration)

16 Oct 53

25X1A9a

/s/ [ ]  
for Auditor-in-Chief

16 Oct. 53

~~CONFIDENTIAL~~